MINISTRY OF ENVIRONMENT

FISH AND WILDLIFE DEVELOPMENT FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2014

PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements the Fish and Wildlife Development Fund, which comprise the statement of financial position as at March 31, 2014, and the statement of operations and accumulated surplus, the statement of changes in net financial assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Fish and Wildlife Development Fund as at March 31, 2014, and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Judy Ferguson

Regina, Saskatchewan
July 4, 2014

Judy Ferguson, FCA
Acting Provincial Auditor

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FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2014	2013
Financial assets:		
Due from General Revenue Fund (Note 3)	$ 892,343	$ 654,234
Due from General Revenue Fund - MHCF (Note 5)	2,097,320	2,075,498
Accounts receivable (Note 4 & 8)	203,773	178,303
Inventories for resale	7,642	6,512
Total financial assets	3,201,078	2,914,547
Liabilities:		
Accounts payable and accrued liabilities	472,963	313,346
Payable for land purchases (Note 12)	242,649	-
Unearned revenue	61,997	64,011
Total liabilities	777,609	377,357
Net financial assets (Statement 3)	**2,423,469**	**2,537,190**
Non-financial assets:		
Tangible capital assets (Note 6)	20,356,753	19,813,971
Total non-financial assets	20,356,753	19,813,971
Accumulated surplus (Statement 2)	**22,780,222**	**22,351,161**

Commitments (Note 7)

See accompanying notes to financial statements.

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF OPERATIONS & ACCUMULATED SURPLUS
For the Year Ended March 31

	2014		2013
	Budget (Note 9)	Actual	Actual
Revenues:			
Transfers from General Revenue Fund			
Sale of licenses (Note 4)	$ 3,804,000	$ 3,746,160	$ 3,842,123
Field permits and leases	142,000	153,841	146,867
Interest	30,000	27,831	27,474
Other revenue	15,000	68,789	80,016
	3,991,000	3,996,621	4,096,480
Expenses: (Schedule 1)			
Fish enhancement projects	1,649,000	1,517,980	1,579,306
Wildlife habitat projects	1,796,000	1,779,563	1,609,206
Municipal habitat projects	250,000	270,017	231,117
	3,695,000	3,567,560	3,419,629
Annual surplus (Statement 3)	**$ 296,000**	**$ 429,061**	**$ 676,851**
Accumulated surplus, beginning of year		22,351,161	21,674,310
Accumulated surplus, end of year (Statement 1)		**$ 22,780,222**	**$ 22,351,161**

See accompanying notes to financial statements.

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended March 31

	Budget (Note 9)	2014 Actual	2013 Actual
Annual surplus (Statement 2)	$ 296,000	$ 429,061	$ 676,851
(Acquistion) of tangible capital assets (Note 6)	(373,000)	(562,649)	(548,332)
Disposal of tangible capital assets - net book value (Note 6)	0	-	14,722
Amortization of tangible capital assets (Note 6)	20,000	19,867	19,867
(Decrease) increase in net financial assets	(57,000)	(113,721)	163,108
Net financial assets, beginning of year	2,537,190	2,537,190	2,374,082
Net financial assets, end of year (Statement 1)	**$ 2,480,190**	**$ 2,423,469**	**$ 2,537,190**

See accompanying notes to financial statements

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2014	2013
Cash flows from (used in) operating activities:		
Receipts from General Revenue Fund	$ 3,748,321	$ 3,834,894
Receipts from sales of field permits, leases, and other	195,784	229,588
Interest received	27,047	28,537
Grant payments	(1,785,217)	(1,882,811)
Payments to municipalities	(281,733)	(219,401)
Payments to suppliers and employees	(1,324,271)	(1,461,419)
	579,931	529,388
Cash flows (used in) capital activities:		
Purchase of tangible capital assets	(320,000)	(753,939)
Net increase (decrease) in cash	259,931	(224,551)
Due from General Revenue Fund, beginning of year	2,729,732	2,954,283
Due from General Revenue Fund, end of year	$ 2,989,663	$ 2,729,732

See accompanying notes to financial statements.

FISH AND WILDLIFE DEVELOPMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2014

1. Purpose of the Fund

The Fish and Wildlife Development Fund (Fund) operates under the authority of Section 20 of *The Natural Resources Act.* The Fund was established for the purposes of preventing the reduction of wildlife habitat and wildlife population in the agricultural area of the province and for fish enhancement projects intended to prevent the loss of fish or fish habitat. The Ministry of Environment administers the Fund.

The Fund financial statements have been prepared by management and the integrity and objectivity of these statements, the accompanying schedules and the notes to the financial statements are management's responsibility. Preparation of the financial statements in conformity with Public Sector Accounting Standards requires management to make estimates and assumptions that affect reported amounts presented. Estimates and assumptions are based on management's judgement for transactions that can't be finalized with certainty until future periods. Management is also responsible for implementing and maintaining a system of internal controls to ensure the reliability and accuracy of the financial information.

2. Significant Accounting Policies

Pursuant to standards established by the Public Sector Accounting Board, the Fund is classified as a government not for profit organization. These financial statements are prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

a) Revenue Recognition

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Government transfers are recognized as revenue in the year the transfer is authorized and any eligibility criteria are met. Field permit and lease revenue is recognized when the permit is issued or the lease payment is due.

b) Grant Expenses

Grants are expensed when authorized and the recipients have met the eligibility criteria.

c) Tangible Capital Assets

Purchased capital assets are recorded at cost less accumulated amortization. Amortization commences in the year of acquisition and is provided on a straight-line basis over the asset's estimated useful life. Leasehold improvements are being amortized over an 8 year expected life; equipment and vehicles are being amortized over a 10-20 year expected life. It is assumed that these assets will have no residual value at the end of their expected life.

Purchased land is recorded at cost. Donated land is recorded at a fair value but when fair value cannot be reasonably determined, it is recorded at nominal value at the date of contribution as a direct increase in net assets.

The Fund made agreements with other conservation agencies for the joint acquisition of land for wildlife related purposes. The Fund records jointly owned land at cost as determined by the land purchase agreement.

d) Inventories

Resale inventory consists of wildlife manuals that are valued at the lower of cost and net realizable value.

e) Use of Estimates

These statements are prepared in conformity with Canadian Public Sector Accounting Standards. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Estimates are required to determine the amortization of equipment and building improvements, accounts payable and accrued liabilities, sales of licences and allowance for expected uncollectible accounts receivable. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

f) Financial Instruments

The Fund's financial instruments include due from General Revenue Fund, accounts receivable, accounts payable and accrued liabilities and payable for land purchases. The carrying amount of these instruments approximate fair value due to their immediate or short-term maturity.

g) Statement of Remeasurement Gains and Losses

A statement of remeasurement gains and losses has been omitted as there were no relevant transactions to report.

3. Due from the General Revenue Fund

The Fund's money is on deposit with the General Revenue Fund (GRF) and in a bank account included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. The Fund's earned interest is calculated and paid by the GRF on a quarterly basis to the Fund using the Government's thirty-day borrowing rate and the Fund's average daily account balance. The Government's average thirty-day borrowing rate for 2014 is 1.02% (2013 – 1.09%).

4. Revenue - General Revenue Fund

The Fund receives an annual transfer from the GRF, as established by Order in Council 526/95, equivalent to 30% of certain hunting and fishing licence fees collected by the Ministry. A receivable is recorded for the portion of the licences issued before the year-end for which fees have not yet been received. Included in accounts receivable at March 31, 2014 is $143,692 (2013 - $145,853) receivable from the GRF related to these hunting and fishing licenses of which $ 0 (2013 - $42,315) is an estimate recorded for licence fees not reported by vendors.

The Fund also has interest receivable of $7,738 (2013 - $6,954) from the GRF, and a $13,947 (2013 - $12,270) receivable for leases and permits.

5. Municipal Habitat Conservation Fund (MHCF)

The Municipal Habitat Conservation Fund is a $2,000,000 fund established to compensate rural municipalities for taxes foregone on lands acquired by the Fund for wildlife habitat conservation purposes. These internally restricted funds are held by the General Revenue Fund and the interest earned on the $2,000,000 is used to assist in paying rural municipalities grants in lieu of taxes on the Fund's lands located within their boundaries.

6. Tangible Capital Assets

	Land	Land - joint ownership	Leasehold Improvements	Equipment, Vehicles and Computer Software	Total 2014	Total 2013
Opening Cost	$14,589,466	$5,128,282	$ 116,592	$ 236,861	$20,071,201	$19,537,591
Additions	1,680	560,969	-	-	562,649	548,332
Disposals	-	-	-	(40,464)	(40,464)	(14,722)
Closing Cost	14,591,146	5,689,251	116,592	196,397	20,593,386	20,071,201
Opening Accumulated Amortization	-	-	72,870	184,360	257,230	237,363
Amortization	-	-	14,574	5,293	19,867	19,867
Disposals	-	-	-	(40,464)	(40,464)	-
Closing Accumulated Amortization	-	-	87,444	149,189	236,633	257,230
Closing Net Book Value	$14,591,146	$5,689,251	$ 29,148	$ 47,208	$20,356,753	$19,813,971

7. Commitments

The Fund is committed to carry out certain wildlife habitat and fish enhancement projects totalling $274,400 in 2014 and $1,440 in 2015.

8. Financial Instrument Risks

The Fund is exposed to credit risk from the potential default of customers. However, the majority of the Fund's receivables are from other government agencies and reputable long-term corporate clients. Therefore, the credit risk and the liquidity risk are minimal. An Allowance for Doubtful Accounts is recorded for these accounts that are considered uncollectible. The Fund has recorded an Allowance for Doubtful Accounts of $11,555 (2013 - $11,555).

The Fund is subject to interest rate risk with respect to revenue. To manage these risks, the Fund regularly monitors market conditions and interest rate trends.

9. Budget

The Budget for the Fund is included with the ministry's budget submission to Treasury Board. Treasury Board approves the Fund's budget annually.

10. Related Party Transactions

These financial statements include transactions with related parties. The Fund is related to all Saskatchewan Crown agencies such as ministries, corporations, boards, and commissions under the common control of the Government of Saskatchewan. Also, the Fund is related to non-Crown enterprises that the Government jointly owns or significantly influences.

Routine operating transactions with related parties are recorded at agreed upon rates and are settled on normal trade terms. These transactions are as follows:

	2014	2013
Expenses:		
Contracts	$ 1,310	$ 521
Supplies and materials	58	---
Grants	828,000	828,000
Central Vehicle Agency rentals	63,103	79,423
Utilities	77,321	67,180
Telephone	4,815	2,963

Included in accounts payable is $8,710 (2013 - $16,281) owing to related parties.

The Fund pays provincial sales tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

In accordance with established government policy, the Fund has not been charged with certain costs including occupancy, financing, and certain administrative costs. These costs have been absorbed by the Ministry of Environment and therefore no provision for such costs is reflected in these financial statements.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and notes.

11. Grants

Wildlife Habitat Conservative Easements - The Fund made agreements with other conservation agencies for the purpose of securing wildlife habitat through the purchase of conservation easements. Under these agreements, the Fund contributes a portion of the costs to acquire these easements upon the registration of the easement with the relevant land titles office. The conservation agencies made separate agreements with landowners for the purchase of these easements. The Fund is not party to the agreements with the landowners for these conservation easements. Accordingly, the Fund has not recorded these costs as capital assets. The Fund's share of these costs for the year amounting to $112,807 (2013 - $98,238) have been expensed in the Statement of Operations & Accumulated Surplus.

Municipal Habitat Grants in Lieu of Taxes $270,017 (2013 – $231,118) were paid to rural municipalities in lieu of taxes previously received on the Fund's lands located within their boundaries.

12. Payable for Land Purchases

At March 31, 2014, the Fund owes a total of $ 242,649 (2013 - $0) for land purchases. A payable is set up when possession of the land takes place on or before March 31 and payment is made subsequent to year end.

13. Comparative Figures

Certain prior year balances have been reclassified to conform with the current year's financial statement presentation.

SCHEDULE OF EXPENSES

For the Year Ended March 31

	Fish Enhancement Projects		Wildlife Habitat Projects		Municipal Habitat Projects		2014 Total		2013 Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget (Note 9)	Actual	Budget	Actual
Salaries	$ 690,000	$ 568,292	$ 355,000	$ 224,739	$ -	$ -	$ 1,045,000	$ 793,031	$ 1,030,000	$ 1,022,501
Contractual services	55,000	109,292	200,000	200,976	-	-	255,000	310,268	248,000	250,613
Supplies and materials	60,000	42,063	4,000	3,030	-	-	64,000	45,093	67,000	72,548
Grants	630,000	629,491	1,225,000	1,340,761	250,000	270,017	2,105,000	2,240,269	1,719,000	1,880,770
Central Vehicle Agency rentals	86,000	57,423	7,000	5,680	-	-	93,000	63,103	93,000	79,423
Travel expenses	24,000	8,073	5,000	3,918	-	-	29,000	11,991	33,000	18,780
Utilities	75,000	77,521	-	-	-	-	75,000	77,521	75,000	67,160
Amortization	20,000	19,867	-	-	-	-	20,000	19,867	22,000	19,867
Telephone	9,000	5,958	-	-	-	-	9,000	5,958	12,000	3,672
Communications	-	-	-	1,589	-	-	-	1,589	-	-
Other	-	-	-	(1,130)	-	-	-	(1,130)	-	4,275
TOTAL	$ 1,649,000	$ 1,517,980	$ 1,796,000	$ 1,779,563	$ 250,000	$ 270,017	$ 3,695,000	$ 3,567,560	$ 3,299,000	$ 3,419,629